

Memorandum

TO: TRANSPORTATION AND
ENVIRONMENT COMMITTEE

FROM: Hans F. Larsen

**SUBJECT: REGIONAL TRANSPORTATION
ACTIVITIES QUARTERLY REPORT**

DATE: February 12, 2015

Approved



Date

2/20/15

RECOMMENDATION

Accept quarterly status report on various regional transportation projects and programs of interest to the City of San José involving the Santa Clara Valley Transportation Authority (VTA), the State Department of Transportation (Caltrans), County of Santa Clara, the Metropolitan Transportation Committee (MTC), and other transportation agencies.

BACKGROUND

The Transportation and Environment Committee work plan includes the presentation of quarterly reports on current activities related to regional transportation projects and programs. This report provides an overview of significant transportation projects currently under construction or in the planning stages. With the expiration of the federal transportation funding program on May 31, 2105, and discussions regarding the critical need for additional transportation investment occurring at all levels of government, staff has included a brief overview of the landscape of transportation funding efforts at the federal, state and regional level.

ANALYSIS

Transportation Funding

The shortfall in transportation infrastructure funding has reached a critical point. A significant portion of the national, state and local transportation infrastructure is aging and needs rehabilitation; new infrastructure is needed to support population and economic growth; and traditional funding sources based on the gas tax are not sustainable in the long-term. The need to develop new funding sources is now actively under discussion at all levels of government. In order to address this funding shortfall there is a need for an infusion of funding whether through an increase in the federal and/or state gas taxes, an increase in the state Vehicle License Fee (VLF), or from a regional sales tax measure.

- Federal Funding Activities - The current federal surface transportation program, “Moving Ahead for Progress in the 21st Century” (MAP-21) is set to expire on May 31, 2015. MAP-21 has funded transportation at a level of approximately \$52 billion a year. At the same time, the federal gas tax is generating roughly \$34 billion a year creating a shortfall in the federal Highway Trust Fund (HTF) that has been covered through transfers from the federal general fund. In his recently introduced “Grow America Act”, President Obama proposes a six-year \$478 billion surface transportation program funded through revenues generated by a repatriation tax on earnings held overseas by US corporations.

As the reauthorization of MAP-21 moves through Congress additional funding options under consideration may include: raising the federal gas tax, converting the gas tax to a sales tax, funding transportation through tax reform, generating revenues through taxing energy revenues, and a vehicle miles traveled fee. Alternatively, proposals in recent years have also suggested that federal transportation investment should be constrained to the level of revenues in the federal Highway Trust Fund, which would result in a reduction in investment, reducing the likelihood of federal funding being available for any local transportation needs.

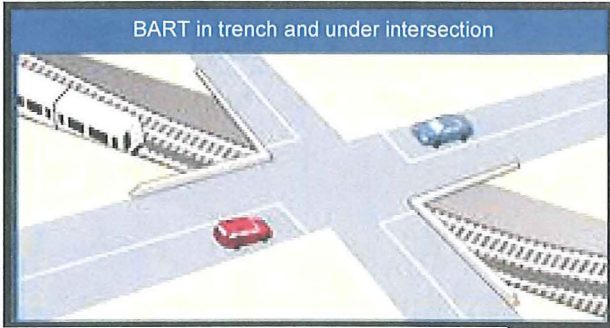
- State Funding Activities - Currently there is a \$59 billion deferred maintenance backlog on the state’s highway and bridge system. Gas tax funding that used to address the state’s needs has fallen steadily from \$2.87 billion in 2003 to \$2.62 billion in 2013. This loss in revenues reflects the decrease in the sale of gasoline from 15.9 billion gallons in 2003 to 14.6 billion in 2013, a drop of 8%. The Governor’s 2015-16 draft budget acknowledges the infrastructure backlog on the state’s transportation system, but did not propose any specific programs or initiatives to address these needs. The Governor is calling on the state’s transportation stakeholders to work together to solve the funding dilemma.

In addition, the California State Assembly Speaker recently announced a proposal to provide \$10 billion in transportation funding over the next five years (approximately \$2 billion per year). The proposal suggests establishing a new Road User Charge, with a variety of potential methods or sources for the revenue collection. The proposal would aim to re-direct transportation funds that currently are being used to repay State general obligation and other transportation related debt back to transportation projects. Whether any of the funding would be available for local transportation purposes has not been fully specified at this point.

- County-Level Funding Activities - Recognizing that the most direct way to finance transportation improvements is locally, 20 California counties have passed local sales taxes to finance transportation improvements, including projects from interstate interchanges to filling potholes. Of the counties included in the coalition of Self-Help Counties, Santa Clara County is the only county in California with a transportation sales tax measure that does not allocate funds to cities for pavement maintenance or other local transportation needs. In 2014, the Silicon Valley Leadership Group (SVLG) explored the development of a new transportation tax measure that would have provided funding to all cities for local pavement maintenance, including an estimated share of \$10 million annually for San José. At that time, it was determined not to place that measure on the November 2014 ballot, however, VTA is now exploring a potential measure for 2016 through their Envision Silicon Valley

process. The Envision Silicon Valley process provides a forum to review current transportation needs and funding gaps and develop a framework to consider a new and/or an extended sales tax measure.

Regional Transit Projects

- **BART Phase I** - The Berryessa BART extension continues to track ahead of schedule, with service planned to begin as early as fall 2017. Beginning Monday, January 26, 2015, the intersection of Sierra Road and Lundy Avenue in San José was completely closed to allow for the construction of the BART alignment underneath the intersection. The closure is expected to last approximately nine months. Activities include major utility relocation, roadway excavation, trench construction and roadway restoration. VTA conducted public meetings last fall to inform the community of the closure. Additional outreach activities included community e-mail notices from VTA and Council District 4.
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- BART configuration at Sierra/Lundy*
- **BART Phase II** - On January 30, 2015, VTA issued the Notice of Preparation (NOP) for the 3rd Draft Supplemental Environmental Impact Report (SEIR3) for the BART Silicon Valley – Phase II Extension Project. The purpose of NOP is to notify agencies, organizations, and individuals that VTA plans to prepare an environmental document for the project and to request input on the scope of the environmental analysis to be performed. The City's comments are due by March 2, 2015 and will be coordinated through the Department of Planning, Building and Code Enforcement.

As currently described, the project would include four stations: the Alum Rock, Downtown San José, Diridon, and Santa Clara Stations. The environmental study will be in compliance with the federal National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA) by preparing a combined Supplemental Draft Environmental Impact Statement (SEIS) and the SEIR3. The Draft SEIS/SEIR3 will include an analysis of the following two alternatives: 1) the Future No-Build and 2) VTA's BART Silicon Valley Phase II Extension Project. The Draft SEIS/SEIR3 will address short- and long-term environmental impacts of both project alternatives.

VTA is holding three public scoping meetings to receive comments about the scope of the environmental analysis. These scoping meetings are the first step in the environmental process and are intended to narrow the focus of the Draft SEIS/SEIR3 to significant environmental issues, eliminate insignificant impacts from detailed study, and identify alternatives to be analyzed.

- Santa Clara/Alum Rock Bus Rapid Transit -

As previously reported to the T&E Committee, VTA and its contractor, Goodfellow Top Grade (GTG), have been in discussions to identify ways to more efficiently construct the project and lessen the overall disruption to the community. This effort has been unsuccessful largely due to incomplete submittals, poor work and resource planning on the part of GTG and delays associated with utility conflicts. Both the City and VTA have informed GTG that no



BRT construction zone on Alum Rock Avenue

construction activities would be allowed in new work areas, particularly in the Downtown area, until GTG improves their productivity on Alum Rock Avenue and completes the station area work at the future Ocala, Story, Alum Rock, 24th Street, 17th Street and Arena Stations.

- El Camino Real Bus Rapid Transit - In the City of San José, this project is a continuation of the Santa Clara/Alum Rock BRT corridor beginning at the SAP Center and continuing along The Alameda and El Camino Real, terminating at the Palo Alto Transit Center. The capital cost of the project is estimated to be \$188 million. The Draft Environmental Impact Report/Environmental Assessment (DEIR/EA) was released on October 29, 2014, for public review and comment. VTA received over 400 comments by the January 14, 2015 closing date for receipt of comments. VTA's Board of Directors will select the Local Preferred Alternative (LPA). VTA staff has indicated they will not recommend a project to proceed without a substantial segment of dedicated lane as the presence of a dedicated transit lane makes the El Camino Real BRT project competitive for both local and federal funds. Of the seven project alternatives discussed in the DEIR/EA, five include a dedicated lane configuration on various segments of El Camino Real. There are no dedicated lanes considered in San José along The Alameda. The final environmental document for the LPA is expected to be approved by mid 2015, with construction slated for spring 2017 and service starting in late 2018.

Regional Highway Projects

- I-280/I-880/Stevens Creek Interchange Upgrade - Construction of the \$62 million project began in the fall of 2012 and is planned to be completed in May 2015.
- I-280/Winchester Boulevard Improvement Study - This study is considered Phase II of the plan to improve overall traffic conditions in the 280/880/Stevens Creek/Winchester area. The study will be managed by VTA. The project objective is to produce a study, which 1) identifies area traffic deficiencies and 2) proposes alternatives that would improve operations and reduce congestion, including the addition of a new I-280/Winchester Interchange Ramp. The estimated cost of this phase of the project is \$1,000,000. The alternatives analysis will identify a recommended project scope to move into environmental analysis, project development, and construction when full funding is identified. VTA took incremental steps to secure funding for this phase of the project. First, in November 2013, the VTA Board of

- U.S. 101/Blossom Hill Road Interchange Improvement Project - On January 30, 2015, the City's Department of Transportation issued a Request for Proposals (RFP) for the preliminary project development of the U.S. 101/Blossom Hill Road Interchange Improvement Project. As identified in the *Edenvale Area Development Policy*, initially approved by the City Council in 2005 and in 2014, the purpose of the project is to construct previously identified improvements to the U.S. 101/Blossom Hill interchange that improve access and support a mix of land uses including office, residential and retail/commercial in the Edenvale area.

The planned interchange improvements include:

- Construction of a bridge structure over US 101 between the two existing Blossom Hill Road bridge decks to accommodate the addition of one lane in each direction.
- Ramp and signal modifications.
- Bicycle/Pedestrian connection from Xander's Crossing at Monterey Road to Coyote Creek, with a physically separated (Class 1) design.

Traffic Impact Fees collected on new development in the Edenvale policy area will fund the initial phase of work that will include preliminary engineering and development of the environmental document. The project is included in the FY 2014-2015 Traffic Capital Improvement Program. Consultant responses to the RFP are due by March 13, 2015. The recommendation for City Council approval of the consultant agreement is planned for late spring 2015.

COORDINATION

The preparation of this report has been coordinated with the City Attorney's Office.

/s/

HANS F. LARSEN
Director of Transportation

For questions, contact Ray Salvano, Division Manager for Local and Regional Project Delivery at (408) 975-3706.